



Marbles & Grani Industries Ltd

## ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED

**Registered Office:** E -7/9, Abu Road, RIICO Industrial Area, Sirohi, Rajasthan, 327026

**Corporate Office:** Elegant House, Raghuvanshi Mills Compound, Senapati Bapat Marg,  
Lower Parel (West), Mumbai, Maharashtra- 400013, India

CIN: L14101RJ1984PLC003134 | Website: [www.elegantmarbles.com](http://www.elegantmarbles.com)

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### NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "**Management Rules**") including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, that the resolution appended below for the proposed buyback of its fully paid up equity shares having a face value of ₹10 each by Elegant Marbles and Grani Industries Limited (the "**Company**") is proposed to be passed as a Special Resolution by way of Postal Ballot / Electronic voting ("**E-voting**").

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and other applicable legal provisions, pertaining to the said resolution setting out the material facts concerning such item(s) and the reasons thereof are annexed hereto along with a **Postal Ballot Form** for your consideration.

The Board of Directors of the Company, at its meeting held on November 28, 2017 ("**Board Meeting**") had, subject to the approval of the Members of the Company by way of Special Resolution and approval of statutory, regulatory or governmental authorities as may be required under applicable laws, approved Buyback of not exceeding 8,40,000 (Eight Lakhs and Forty Thousand Only) Equity Shares of the Company, from all the Members holding equity shares of the Company, as on the Record Date to be determined by the Company, on a proportionate basis through the "**Tender Offer**" route in accordance with the Companies Act, the Management Rules and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time at a price of ₹ 205 (Two Hundred and Five Only) per equity share payable in cash for an aggregate amount of ₹ 17,22,00,000 (Seventeen Crores and Twenty Two Lakhs Only). The aforesaid buyback shall be less than 25% of the aggregate fully paid up equity share capital and free reserves of the Company.

Since the Buyback is more than 10% of the total paid up equity capital and free reserves of the Company, pursuant to Section 68 of the Companies Act, 2013 and other applicable legal provisions, it is necessary to obtain the consent of the Members holding equity shares of the Company by way of a special resolution for the proposed buyback of equity shares. Further, as per Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the consent of the members is required to be obtained for the buyback by means of a postal ballot. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended below.

Pursuant to Rule 22(5) of the Management Rules, the Board of Directors of the Company has appointed Shri Virendra Bhatt, Practicing Company Secretary as the Scrutinizer for the Postal Ballot process in a fair and transparent manner.

The Members holding equity shares of the Company are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said Form duly completed in the attached self- addressed, postage prepaid envelope, if posted in India, so as to reach the Scrutinizer at 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 not later than close of working hours (5.00 pm IST) on Saturday, January 13, 2018. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. Also, the e-voting module will be disabled after the business hours i.e. 5.00 pm IST on Saturday, January 13, 2018 for voting by the Members holding equity shares of the Company. The postage will be borne and paid for by the Company.

In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, E-Voting facility is also provided to all Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members holding equity shares of the Company are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The e-voting module will be disabled after the business hours i.e. 5.00 pm IST on Saturday, January 13, 2018 for voting by the Members holding equity shares of the Company. The Members holding equity shares of the Company have both the options of voting i.e. by e-voting and through Postal Ballot Form. Kindly note that while exercising their vote, Members holding equity shares of the Company can opt for only one of the two modes of voting i.e. either through Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote through Postal Ballot Form and vice versa. In case member votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be treated as invalid. Further, a person who is not a member as on the cut-off date i.e. Friday, December 1, 2017, should treat this Notice for information purposes only.

The Scrutinizer will submit his report to the Chairman or in his absence a person authorized by him in writing, after completion of scrutiny of Postal Ballot (including e-voting). The results of the Postal Ballot will be announced on or before Monday, January 15, 2018 and will be displayed at the Registered and Corporate Office of the Company and communicated to BSE Limited (the "**BSE**") where the equity shares of the Company are listed. The results of the Postal Ballot will also be displayed on the Company's website: [www.elegantmarbles.com](http://www.elegantmarbles.com) and on the website of Central Depository Services Limited ("**CDSL**"). The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last day specified by the Company for receipt of postal ballot forms or e-voting i.e. Saturday, January 13, 2018.

The Members are requested to consider and, if thought fit, pass the following resolution:

## **SPECIAL BUSINESS:**

### **Item No. 1**

#### **APPROVAL FOR BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE**

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**) and in accordance with Article 56 of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the **“Buyback Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, statutory modifications or re-enactments, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**), which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of members of the Company be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of ₹ 10/- each not exceeding 8,40,000 equity shares (representing 18.67% of the total number of equity shares in the paid up equity share capital of the Company) at a price of ₹ 205 per equity share (Rupees Two Hundred and Five Only) (**“Buyback Price”**) payable in cash for an aggregate amount of ₹ 17,22,00,000 (Rupees Seventeen Crores and Twenty Two Lakhs Only) (**“Buyback Size”**) being 24.78% (which is within 25%) of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 from the equity shareholders of the Company, as on the record date, on a proportionate basis through the **“Tender offer”** route as prescribed under the Buyback Regulations **“Buyback”**). The Buyback Offer size does not include any expenses incurred or to be incurred for the Buyback like filing fees, advisory fees, public announcement expenses, printing and dispatch expenses, and other incidental and related expenses;

**RESOLVED FURTHER THAT** the Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time;

**RESOLVED FURTHER THAT** such Buyback may be made out of the Company's free reserves and / or such other sources as may be permitted by law through **“Tender Offer”** route and as required by the Buyback Regulations and the Companies Act. The Company may buyback equity shares from all the existing Members holding equity shares of the Company on a proportionate basis as on the record date, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buyback Regulations;

**RESOLVED FURTHER THAT** the Buyback from non-resident Members holding equity shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed thereunder, if any;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s) / Officer(s) / Authorised Representative(s) / Committee (**“Buyback Committee”**) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, the time frame for completion of Buyback; appointment of Merchant Bankers, Brokers, Solicitors, Depository Participants, advertising agencies and other advisors / consultants / intermediaries / agencies, as may be required, for the implementation of the Buyback; Preparation, signing and filing of the public announcement, the Draft letter of offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**) under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed thereunder; and to initiate all necessary actions for preparation and issue of various documents including letter of offer, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, enter into escrow arrangements as required in terms of the Buyback Regulations; opening, operation and closure of all necessary accounts including escrow account, special payment account, demat escrow account as required in terms of the Buyback Regulations, extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with SEBI, RBI, BSE Limited (**“BSE”**), Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time;

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any shareholder to offer and / or any obligation on the part of Company or the Board or the Buyback Committee to buyback any shares, and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by law;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute

discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board of Directors  
For **Elegant Marbles and Grani Industries Limited**

Place: Mumbai  
Date: November 28, 2017

Sneha Valeja  
Company Secretary and Compliance Officer

#### NOTES AND INSTRUCTIONS:

1. A Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 and rules made thereunder stating material facts and reasons for the proposed resolution is annexed hereto. It also contains all the disclosures as specified in the Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
2. The Postal Ballot Notice will be sent to all the Members, whose names appear on the Register of Members / List of beneficial owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, December 1, 2017 ('**Cut-off date**').
3. The notice is being sent by electronic mode to those members, whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Members may note that this notice will also be available on the Company's website at [www.elegantmarbles.com](http://www.elegantmarbles.com).
4. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide voting by electronic means ("e-voting") facility to the Members, to enable them to cast their votes electronically. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting platform to its Members.
5. Each Member can opt for only one mode of voting i.e. either by sending the physical postal ballot form or by E-voting. A Member cannot vote both by post and e-voting, and if he votes both by post and e-voting, his vote by post shall be treated as invalid.
6. A member cannot exercise his vote by proxy on Postal Ballot.
7. Dispatch of the Postal Ballot Notice shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Hindi newspaper, each with wide circulation in the State of Rajasthan, where the registered office of the Company is situated, and shall be hosted on the Company's website.
8. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the said Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer Shri Virendra Bhatt, Practicing Company Secretary (ACS No.: 1157) so that it reaches the Scrutinizer not later than by 5.00 p.m. IST on Saturday, January 13, 2018. The postage will be borne by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 p.m. IST on Saturday, January 13, 2018, it will be considered that no reply from the Member has been received. Additionally, please note that the Postal Ballot Forms shall be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member, and/ or (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member, and/ or (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/ or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his vote.
9. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on Friday, December 15, 2017 at 09:00 a.m. and ends on Saturday, January 13, 2018 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, December 1, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders / Members
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <ELEGANT MARBLES AND GRANI INDUSTRIES LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
10. The e-voting period commences on Friday, December 15, 2017 (9.00 a.m. IST) and ends on Saturday, January 13, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, December 1, 2017 i.e. Cut-off date, may cast their vote electronically. The e-voting module shall be disabled for any voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
  11. Members who are desirous of obtaining a duplicate Postal Ballot form; he or she may send an email to [gamare@unisec.in](mailto:gamare@unisec.in). The Registrar and Transfer Agent/Company shall forward the same along with postage prepaid self-addressed Business Reply Envelope to the Member.
  12. Members may contact Ms. Sneha Valeja, Company Secretary and Compliance Officer of the Company at [companysecretary@elegantmarbles.com](mailto:companysecretary@elegantmarbles.com) or Universal Capital Securities Private Limited, Registrar and Share Transfer Agents of the Company at [gamare@unisec.in](mailto:gamare@unisec.in) for any grievances or queries related to voting by postal ballot including voting by electronic means.
  13. The resolutions shall be taken as passed effectively on the last date specified for the receipt of Postal Ballot forms. The results of the postal ballot shall be announced on or before Monday, January 15, 2018 during the working hours from 10:00 a.m. to 6:00 p.m. which shall be submitted to the Stock Exchanges where shares of the Company are listed i.e. [www.bseindia.com](http://www.bseindia.com) and will also be published in at least one English and one vernacular newspaper circulating in the state of Rajasthan. The result of the Postal Ballot along with the Scrutinizers' Report shall also be hosted on website of the Company.
  14. Notice of Postal Ballot along with Postal Ballot Form containing the process, instructions and the manner of conducting E -voting is being sent electronically to all the Members whose email ID's are registered with the Company / Depository Participant(s). For Members who request for a hard copy and for those who have not registered their email addresses, physical copies of the same are being sent through the permitted mode.
  15. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member as on Friday, December 1, 2017. Members can vote for their entire voting rights as per their discretion.
  16. All the material documents referred to in the Explanatory Statement are available for inspection by the Members of the Company at its Registered and Corporate Office on any working day except Saturday between 10.00 am IST and 4.00 pm IST up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.
  17. A copy of the Notice is also available on the website of the Company, at [www.elegantmarbles.com](http://www.elegantmarbles.com), website of Universal capital Securities Private Limited at [www.unisec.in](http://www.unisec.in), website of the BSE Limited, at [www.bseindia.com](http://www.bseindia.com).
  18. In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding equity shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.
  19. None of the Directors or any key managerial personnel of the Company including their relatives are, in anyway, concerned or interested, financially or otherwise, in passing of the proposed resolution, save and except to the extent of their shareholding in the Company, if any.

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

### Item No. 1

As per the Section 102 read with Section 68 and other applicable provisions of the Companies Act, 2013 and Buyback Regulations, the Explanatory Statement contains relevant and material information to enable the Members holding equity shares of the Company to consider and approve the SPECIAL RESOLUTION on the Buyback of the Company's equity shares.

With an objective of rewarding Members holding Equity Shares of the Company, through return of surplus cash, the Board of Directors of the Company at its meeting held on November 28, 2017 approved the proposal of recommending buyback of Equity Shares as contained in the resolution(s) in the Notice.

Requisite details relating to the Buyback are given below:

- (a) **Date of Board meeting at which the proposal for Buyback was approved by the Board of Directors of the Company:**  
November 28, 2017
- (b) **Necessity for the Buyback**
  - (i) The Buyback will help the Company to distribute surplus cash to its Members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
  - (ii) The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as 'small shareholder';
  - (iii) The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
  - (iv) The Buyback gives an option to the Members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy the likely resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

**(c) Maximum amount required under the Buyback, its percentage of the total paid up capital and free reserves and sources of funds from which the Buyback would be financed**

The maximum amount required under the Buyback considering the Buyback Size shall be up to ₹ 17,22,00,000/- (Seventeen Crores and Twenty Two Lakhs Only) (which is within 25% of the total paid-up equity capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.

Buyback may be made out of the Company's securities premium account, free reserves and /or such other sources as may be permitted by the Buyback Regulations, the Companies Act and other applicable laws. The Company shall transfer a sum equal to the nominal value of the Equity Shares proposed to be bought back in the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet and Annual Report(s).

The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the Paid-up equity share capital and free reserves after the Buyback.

**(d) Buyback Offer Price and the basis of arriving at the Buyback Price**

The Equity Shares are proposed to be bought back at a price of ₹ 205/- (Rupees Two Hundred and Five Only) per Equity Share. The Buyback Price has been arrived at after considering various factors, including the average closing prices of the Equity Shares of the Company on BSE Limited ('BSE') (referred to as the 'Stock Exchanges') where the Equity Shares are listed, the net worth of the Company and the likely impact of the Buyback on the earnings per Equity Share.

The Buyback price of ₹ 205/- (Rupees Two Hundred and Five Only) per equity share represents:

- i) a premium of approx. 22.10% over the closing price on the BSE on November 21, 2017, being the working day immediately preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy-back.
- ii) a premium of approx. 27.60% over the volume weighted average price of the Equity Shares on the BSE for 3 months preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy-back.
- iii) a premium of approx. 27.38% over the volume weighted average price of the Equity Shares on the BSE respectively for 2 weeks preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buy-back.

This special resolution seeks approval of the members of the Company to approve the Buyback Offer Price within the aforesaid limits as determined and proposed by the Board of Directors of the Company.

**(e) Maximum Number of shares that the Company proposes to Buyback**

The Board of the Company has decided the Buyback price of ₹ 205/- (Rupees Two Hundred and Five Only) per Equity Share and after considering the Buyback Size of ₹ 17,22,00,000/- (Seventeen Crores and Twenty Two Lakhs Only), the maximum number of Equity Shares that can be bought back would be 8,40,000 Fully Paid up Equity Shares of face value of ₹ 10 each, representing 18.67 % of the total Paid up equity share capital of the Company.

**(f) Time limit for completing the Buyback**

The Buyback is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buyback.

**(g) Compliance with Section 68(2)(c) of the Act**

The aggregate Paid-up equity share capital and free reserves as at March 31, 2017 is ₹ 69,50,50,535 (Rupees Sixty Nine Crores Fifty Lakhs Fifty Thousand Five Hundred and Thirty Five Only). Under the provisions of the Companies Act, 2013, the funds deployed for the Buyback cannot exceed 25% of the total Paid-up equity capital and free reserves of the Company i.e. ₹ 17,37,62,634 (Rupees Seventeen Crores Thirty Seven Lakhs Sixty two Thousand Six Hundred and Thirty Four Only). The maximum Buyback Size, i.e. ₹ 17,22,00,000/- (Seventeen Crores and Twenty Two Lakhs Only), is therefore within the limit of 25% of the Company's total Paid-up equity capital and free reserves as per the audited accounts of the Company as on March 31, 2017.

Further, under the Companies Act, 2013, the number of equity shares that can be bought back in any Financial Year cannot exceed 25% of the total Paid-up equity capital of the Company in that Financial Year. At the Buyback offer price of ₹ 205/- (Rupees Two Hundred and Five Only) per Equity Share and for the Maximum Buyback Size of ₹ 17,22,00,000/- (Seventeen Crores and Twenty Two Lakhs Only), the maximum number of Equity Shares that can be bought back would be 8,40,000 Fully Paid up Equity Shares of face value of ₹ 10 each, representing 18.67% of the total Paid up equity share capital of the Company. Accordingly, the proposed Buyback will be within the limit of 25% of the total Paid up equity share capital of the Company for the Financial Year ended March 31, 2017.

**(h) Method to be adopted for the Buyback**

The Buyback shall be on a proportionate basis from all the Members holding Equity Shares of the Company through the "Tender Offer" route, as prescribed under the Buyback Regulations. The Buyback will be implemented in accordance with the Companies Act and the Share Capital Rules to the extent, applicable and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a Record Date for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buyback. In due course, each shareholder, as on the Record Date, will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback.

The Equity Shares to be bought back as a part of the buyback is divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders.

As defined in the Buyback Regulations, a 'small shareholder' is a shareholder who holds Equity Shares of the Company having market value, on the basis of closing price of shares, on the recognised stock exchange in which highest trading volume in respect of such Equity Shares as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only).

In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as 'small shareholder'.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose to not participate and enjoy the likely resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding Equity Shares of the Company may also offer/accept a part of their entitlement. Members also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and other relevant rules and regulations.

Subject to shareholders' approval hereunder, detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Members holding Equity Shares of the Company as on the Record Date.

The Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

**(i) The aggregate shareholding of the Promoters, Promoter Group and of Persons who are in Control of the Company as on the date of this Notice is as under:**

1. Shareholding of the Promoters, Promoter group and of Persons who are in control of the Company:

Sr. No.	Name	Equity Shares	% of shareholding
i.	Alka Agrawal	5,45,000	12.11
ii	Divya Agrawal	5,25,000	11.67
iii	Gita Agrawal	2,70,000	6.00
iv	Indu Agrawal	15,600	0.35
v	Rajesh R. Agrawal	10,06,800	22.37
vi	Rakesh R. Agrawal	8,90,000	19.78
	<b>TOTAL</b>	<b>32,52,400</b>	<b>72.28</b>

(\*) Mr. Rajesh Agrawal and Mr. Rakesh Agrawal are the promoters of the Company and others form part of the Promoter Group.

2. None of the Directors or Key Managerial personnel of the Company hold any Equity Shares in the Company except the following:

Sr. No.	Name	Designation	Equity Shares	% of shareholding
i.	Rajesh R. Agrawal	Chairman and Managing Director	10,06,800	22.37
ii.	Rakesh R. Agrawal	Managing Director	8,90,000	19.78
	<b>TOTAL</b>		<b>18,96,800</b>	<b>42.15</b>

- (j) There were no transactions either purchase / sale / transfer – undertaken by persons referred to in (i) above during the period of last twelve months preceding the date of the Board Meeting (at which the Buyback was approved) and the date of this Notice.
- (k) Intention of the Promoters of the Company to tender equity shares for Buyback indicating the number of shares, details of acquisition with dates and price:

In terms of the SEBI Buyback Regulations, under the Tender Offer route, the Promoter and Promoter Group of the Company have the option to participate in the Buyback. The Promoter and Promoter Group of the Company have expressed their intention vide their letters dated November 28, 2017 to participate in the Buyback. The Promoter and Promoter Group hereby intends to collectively tender at least such number of Equity Shares which would be collectively equal to their proportionate entitlement out of the Equity Shares held by them as on the Record Date under the Buyback. In addition, the Promoter and Promoter Group may also tender additional number of shares (as it may decide subsequently depending upon the publicly available information at the time of such decision making) in compliance with the SEBI Buyback Regulations.

Further, the Promoter and Promoter Group have also expressed their intention that in the event any of the Promoter and Promoter Group shareholders do not tender Equity Shares against its entitlement, in part or in full, the other Promoter and Promoter Group shareholders may tender additional equity shares against the remaining entitlement of such Promoter and Promoter Group shareholders who may not tender equity shares against their entitlement. Further, it is also clarified that such additional Equity Shares tendered will first be accepted against the entitlements of the other Promoter and Promoter Group shareholders of the Company, to the extent that the other Promoter and Promoter Group shareholders do not tender Equity Shares as part of their entitlement in the Buyback, and then, if any Equity Shares tendered by such Promoter and Promoter Group shareholders are left to be bought back, the same shall be accepted in the manner specified in Regulation 9(7) of the SEBI Buyback Regulations.

The Promoter and Promoter Group have also undertaken that If, as a result of buyback offer, the public shareholding of the Company fall below 25% of the total Paid-up Share Capital of the Company, the Promoter and Promoter Group will reduce their shareholding in such manner and in compliance with the second proviso to the Regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 19A of the Securities Contracts (Regulations) Rules 1957 and SEBI circular No. CIR/CFD/CMD/14/2015 dated November 30, 2015 so that the minimum public shareholding remains at or above 25%.

Details of the date and price of acquisition of the Equity Shares that Promoter & Promoter Group intends to tender are set-out below:

i) **Rajesh R. Agrawal**

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Face Value (Rs. Per) Share	Issue/Acquisition / Sale Price (Rs. Per share)	Nature of Transaction
07-Nov-1984	1,000 <sup>(1)</sup>	10.00	10.00	Subscriber to Memorandum
07-Jan-1985	14,000 <sup>(2)</sup>	10.00	10.00	Allotment of shares
15-Feb-1993	15,000 <sup>(3)</sup>	10.00	Nil	Issue of Bonus shares
25-May-1994	34,800	10.00	10.00	Inter se Promoter Group transfer (off-market)
03-Jun-1994	9,72,000	10.00	Nil	Issue of Bonus shares
03-Jan-1995	(11,600)	10.00	60.00	Sale of Shares through open market
26-Oct-1995	60,400	10.00	24.00	Purchase of Shares from open market
19-Oct-1996	(40,000)	10.00	13.90	Sale of Shares through open market
28-Sep-2000	(38,800)	10.00	19.50	Sale of Shares through open market
<b>Total Current Holding</b>	<b>10,06,800</b>			

**Note:**

- Originally allotted 100 (One Hundred only) equity shares of Rs. 100/- (Rupees Hundred only) each for subscription to Memorandum as Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
- Originally allotted 1,400 (One Thousand Four Hundred only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
- Originally allotted 1,500 (One Thousand Five Hundred only) equity shares of Rs. 100/- (Rupees Hundred only) each as Bonus Issue and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.

ii) **Rakesh R. Agrawal**

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Face Value (Rs. Per) Share	Issue/Acquisition / Sale Price (Rs. Per share)	Nature of Transaction
07-Nov-1984	1,000 <sup>(1)</sup>	10.00	10.00	Subscriber to Memorandum
07-Jan-1985	5,000 <sup>(2)</sup>	10.00	10.00	Allotment of shares
15-Jul-1987	5,000 <sup>(3)</sup>	10.00	10.00	Allotment of shares
15-Feb-1993	11,000 <sup>(4)</sup>	10.00	Nil	Issue of Bonus shares
25-May-1994	35,000	10.00	10.00	Inter se Promoter Group transfer (off-market)
03-Jun-1994	8,55,000	10.00	Nil	Issue of Bonus shares
03-Jan-1995	(11,200)	10.00	60.00	Sale of Shares through open market
26-Oct-1995	(6,200)	10.00	24.00	Sale of Shares through open market
29-Sep-1997	(100)	10.00	16.50	Sale of Shares through open market
29-Sep-1999	(200)	10.00	21.00	Sale of Shares through open market
28-Sep-2000	(2,000)	10.00	19.50	Inter se Promoter Group transfer (off-market)
31-Dec-2001	(2,000)	10.00	19.50	Sale of Shares through open market
30-Sep-2002	(300)	10.00	Nil	Inter se Promoter Group transfer (off-market)
<b>Total Current Holding</b>	<b>8,90,000</b>			



**Note:**

1. Originally allotted 100 (One Hundred only) equity shares of Rs. 100/- (Rupees Hundred only) each for subscription to Memorandum as Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
2. Originally allotted 500 (Five Hundred only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
3. Originally allotted 500 (Five Hundred only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.

iii) **Alka Agrawal**

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Face Value (Rs. Per) Share	Issue/Acquisition / Sale Price (Rs. Per share)	Nature of Transaction
25-Mar-1992	7,500 <sup>(1)</sup>	10.00	10.00	Allotment of shares
15-Feb-1993	7,500 <sup>(2)</sup>	10.00	Nil	Issue of Bonus shares
25-May-1994	20,000	10.00	10.00	Inter se Promoter Group transfer (off-market)
03-Jun-1994	5,25,000	10.00	Nil	Issue of Bonus shares
03-Jan-1995	(8,000)	10.00	60.00	Sale of Shares through open market
26-Oct-1995	(1,700)	10.00	24.00	Sale of Shares through open market
19-Oct-1996	(2,300)	10.00	13.90	Sale of Shares through open market
29-Sep-1999	(200)	10.00	21.00	Sale of Shares through open market
28-Sep-2000	(2,500)	10.00	19.50	Sale of Shares through open market
30-Sep-2002	(100)	10.00	10.45	Sale of Shares through open market
30-Sep-2005	(200)	10.00	Nil	Inter se Promoter Group transfer (off-market)
<b>Total Current Holding</b>	<b>5,45,000</b>			

**Note:**

1. Originally allotted 750 (Seven Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
2. Originally allotted 750 (Seven Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each as Bonus Issue and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.

vi) **Divya Agrawal**

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Face Value (Rs. Per) Share	Issue/Acquisition / Sale Price (Rs. Per share)	Nature of Transaction
25-Mar-1992	17,500 <sup>(1)</sup>	10.00	10.00	Allotment of shares
15-Feb-1993	17,500 <sup>(2)</sup>	10.00	Nil	Issue of Bonus shares
03-Jun-1994	5,25,000	10.00	Nil	Issue of Bonus shares
03-Jan-1995	(3,000)	10.00	60.00	Sale of Shares through open market
26-Oct-1995	(10,700)	10.00	24.00	Sale of Shares through open market
29-Sep-1997	(500)	10.00	16.50	Sale of Shares through open market
28-Sep-2000	(20,700)	10.00	19.50	Sale of Shares through open market
30-Sep-2002	(100)	10.00	Nil	Inter se Promoter Group transfer (off-market)
<b>Total Current Holding</b>	<b>5,25,000</b>			

**Note:**

1. Originally allotted 1,750 (One Thousand Seven Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
2. Originally allotted 750 (One Thousand Seven Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each as Bonus Issue and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.

v) **Gita Agrawal**

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Face Value (Rs. Per Share)	Issue/Acquisition / Sale Price (Rs. Per share)	Nature of Transaction
07-Jan-1985	4,000 <sup>(1)</sup>	10.00	10.00	Allotment of shares
15-Jul-1987	5,000 <sup>(2)</sup>	10.00	10.00	Allotment of shares
15-Feb-1993	9,000 <sup>(3)</sup>	10.00	Nil	Issue of Bonus shares
03-Jun-1994	2,70,000	10.00	Nil	Issue of Bonus shares
03-Jan-1995	(34,100)	10.00	60.00	Sale of Shares through open market
26-Oct-1995	19,800	10.00	24.00	Purchase of Shares from open market
19-Oct-1996	(6,300)	10.00	13.90	Sale of Shares through open market
29-Sep-1999	(100)	10.00	21.00	Sale of Shares through open market
31-Dec-2001	2,100	10.00	Nil	Inter se Promoter Group transfer (off-market)
30-Sep-2002	600	10.00	Nil	Inter se Promoter Group transfer (off-market)
<b>Total Current Holding</b>	<b>2,70,000</b>			

**Note:**

1. Originally allotted 400 (Four Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
2. Originally allotted 500 (Five Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each for Cash consideration and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.
3. Originally allotted 900 (Nine Hundred Fifty only) equity shares of Rs. 100/- (Rupees Hundred only) each as Bonus Issue and subsequently adjusted for split into shares of Rs. 10/- (Rupees Ten only) each.

vi) **Indu Agrawal**

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Face Value (Rs. Per Share)	Issue/Acquisition / Sale Price (Rs. Per share)	Nature of Transaction
25-May-1994	100	10.00	10.00	Allotment of shares
03-Jun-1994	1,500	10.00	Nil	Issue of Bonus shares
26-Oct-1995	(1,100)	10.00	24.00	Sale of Shares through open market
29-Sep-1997	15,100	10.00	16.50	Purchase of Shares from open market
26-Sep-1998	300	10.00	14.35	Purchase of Shares from open market
29-Sep-1999	(300)	10.00	Nil	Inter se Promoter Group transfer (off-market)
<b>Total Current Holding</b>	<b>15,600</b>			

(l) **No defaults:**

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

(m) **Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after Buyback will continue to be able to meet its liabilities and will not be rendered insolvent as follows:**

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- (i) That immediately following the date of the Board Meeting held on November 28, 2017 and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- (ii) That as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be; and
- (iii) In forming its opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the applicable provisions of the Companies Act, 2013

(c) **Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency:**

The text of the Report dated November 28, 2017 received from M/s. SDBA & Co., Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

To,  
The Board of Directors  
**Elegant Marbles and Grani Industries Limited**  
Elegant House, Raghuvanshi Mills Compound  
SenapatiBapatMarg, Lower Parel (West)  
Mumbai, Maharashtra- 400013, India

**Statutory Auditor's Report in respect of proposed buy-back of equity shares by Elegant Marbles and Grani Industries Limited ("the Company") in terms of clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("Buy Back Regulations").**

1. This report is issued in accordance with our status as Statutory Auditors of the Company. The Board of Directors of the Company have approved a proposed buy-back of Equity Shares by the Company at its meeting held on 28<sup>th</sup> November 2017, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the Buyback Regulations.
2. The accompanying Statement of permissible capital payment (including premium) ('Annexure A') as at 31 March 2017 (hereinafter referred together as the "Statement") is prepared by the management, which we have initialed for identification purposes only.

**Management's Responsibility for the Statement**

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

4. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:
  - (i) whether we have inquired into the state of affairs of the Company in relation to its latest audited standalone financial statements as at and for the year ended 31st March 2017;
  - (ii) if the amount of permissible capital payment for the proposed buy—back of equity share is properly determined considering the audited standalone financial statement for the year ended 31st March 2017; and
  - (iii) If the Board of Directors in their meeting dated 28th November 2017 have formed the opinion as specified in clause (x) of Schedule II to the SEBI Buyback Regulations as amended on reasonable grounds and that the company, having regards to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.
5. The standalone financial statements referred to in paragraph 4 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 26<sup>th</sup> May, 2017. Our audit of these financial statements was conducted in accordance with the Standards of Auditing ("Standards") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
6. We conducted our examination of the Statement in accordance with the Guidance note on Audit Reports or Certificates for Special Purposes issued by the ICAI ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**Opinion**

9. Based on enquiries conducted and our examination as above, we report as follows:
  - (i) We have inquired into the state of affairs of the Company in relation to the audited Standalone Financial Statements as at and for the year ended March 31, 2017 which has been approved by the Board of Directors of the Company on 26<sup>th</sup> May, 2017.
  - (ii) The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith is, properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2017.
  - (iii) The Board of Directors in their meeting held on 28<sup>th</sup> November, 2017 have formed their opinion, as specified under Clause (x) of Part A of Schedule II of the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

10. We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

#### **Restriction on use**

11. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buy Back Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buy back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

**For SDBA & CO**  
Chartered Accountants  
(FRN: 142004W)  
Sanjeev A. Mehta  
Partner  
Membership No.: 04128

Place: Mumbai  
Date: 28<sup>th</sup> November, 2017

#### **Annexure 'A'**

Particulars	Amount Rs.
Paid up equity share capital as on 31 <sup>st</sup> March 2017 (45,00,000 equity shares of face value Rs.10/- each)	4,50,00,000
Free reserves as on 31 <sup>st</sup> March 2017	
-Securities Premium account	2,85,00,000
-General Reserves	2,15,122,383
-Profit and Loss Account	4,06,428,151
<b>TOTAL</b>	<b>69,50,50,534</b>
Maximum amount permissible under the Act/ Buyback Regulations subject to Shareholders approval:	
25% of the total Paid up equity share capital and free reserves, if the buyback is carried through tender offer route (in accordance with the chapter III of the Buyback Regulations and Section 68(2)(c) of the Act)	17,37,62,634
Maximum amount permitted by Board Resolution dated 28 <sup>th</sup> November 2017 approving the Buyback, subject to shareholders approval, based on the audited accounts for the year ended 31 <sup>st</sup> March 2017	17,22,00,000

- (o) **As per the provisions of the Buyback Regulations and the Companies Act:**
- The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback;
  - All the Equity Shares for Buyback are fully paid-up;
  - The Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;
  - The Special Resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the duly constituted Buyback Committee within the above time limits;
  - The equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
  - The Company shall not withdraw the Buyback after the public announcement of the offer to Buyback is made; and
  - The Company shall not buyback locked-in equity shares and non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable.
- (p) **For any clarifications related to the Buyback process, Members holding equity shares of the Company may contact the Company at :**

Company: Elegant Marbles and Grani Industries Limited  
Contact Person: Ms. Sneha Valeja,  
Company Secretary & Compliance Officer  
Tel: 022 2496 0771  
Email: [companysecretary@elegantmarbles.com](mailto:companysecretary@elegantmarbles.com)

By Order of the Board of Directors  
For **Elegant Marbles and Grani Industries Limited**

Place: Mumbai  
Date: November 28, 2017

Sneha Valeja  
Company Secretary and Compliance Officer